

**Preserving the Guaranty**  
**West Virginia District Office**  
**February 14, 2017**

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For technical assistance, contact the  
AT&T Helpdesk at 888-796-6118 –  
Thank You!



# **Preserving the Guaranty West Virginia District Office February 14, 2017**

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Presenter:

Gary Griffin - Capital Growth Solutions

# Acknowledgement

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We would like to thank Gary for his time and providing information regarding his experience in lending and working on SBA loans from his perspective.

All opinions, conclusions, and/or recommendations expressed herein are those of the presenter and do not necessarily reflect the views of the SBA.





# Securing the Guaranty – 7 Step Program

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- 1) Prepare you 10-Tab 30 days after closing.
- 2) Verify equity before AND after closing.
- 3) 4506-T.
- 4) Use of Proceeds – Documentation and 327 actions.
- 5) Collateral – Specific and Post-closing UCC-11; FINAL Title Policy.
- 6) RECORDED Life Insurance Assignment.
- 7) Site Visits – Before loan is submitted and annually thereafter.

# Review and Analysis of Servicing Requests

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- Current FS AND last 2 years' federal tax returns
- Appraisals (if appropriate)
- Lien searches
- Current transcript of account and any senior liens
- Credit reports
- Guarantor FS and last 2 years' federal tax returns (to allow for review of pertinent changes in the strength of the credit)
- Pertinent documents (i.e. invoices/sale documents)
- Environmental review
- Resolutions (authority to take action by the Borrower)
- FEMA Form 81-93

# Matrix

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- <https://www.sba.gov/content/servicing-and-liquidation-actions-7a-lender-matrix>
- PRINT (OR SCAN VERSION USED AND ATTACH TO MEMO)



# Deadlines

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- 10 days (notified of default)
- 29 days (call or visit)
- 59 days (site inspection and inventory)
- 60 days (place in liquidation status)
- 120 days (days interest covered by SBA)
- 15 days (SBA Repurchase liquidation plan)
- 45 days (after repurchase 10-Tab)
- 30 days (after final disposition of collateral)
- 12/01/2017!!!!!!!!!!!!!!!!!!!!!!!!!!!!!! (Acquisitions!)

# Feasibility Test for Workout

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- Is there light at the end of this tunnel?
- Prepare workout/liquidation plan. All mods **MUST** be acknowledged by Guarantors.
- Keep lights on for marketing of on-going concern!



# 10-Tab and Wrap-up Report

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- Do first one 30 days after closing!!!
- Liquidate ALL collateral if feasible.
- Net expenses.
- Spend the time!!!
- Adobe Pro (\$380)

# Most Common Reasons for Repair or Denial

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- 1) Eligibility (affiliation)
- 2) Verifying equity.
- 3) Use of proceeds.
- 4) Companion loans (lenders preference or BAD decision).
- 5) Wrong collateral position (expired UCC's?).
- 6) Lack of care and preservation of collateral.
- 7) Stubbornness!



# Questions?

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# Contact Info

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